

TAHP Supports Legislation to Protect Texans From Surprise Medical Billing



Bill Ends Surprise Medical Billing in Emergencies or When Patients Do Not Choose the Provider

Background:

- **Surprise balance bills** occur when patients cannot avoid being treated by providers outside their health plan's contracted network—either because the provider is not chosen by the patient or because the patient is not even aware that the provider is involved in their care.
- Too often, when patients do not pick their providers or are misled about a provider's network status, care is followed by expensive surprise medical bills, often for thousands of dollars and sometimes for hundreds of thousands of dollars.
- Texas leaders have taken steps over the past decade to create protections from surprise medical bills, but problems remain in Texas—particularly in the ER. In Texas, 1 in 3 admissions to an emergency room results in a surprise medical bill, substantially higher than the rest of the nation.
- In most emergencies, patients must rush to the nearest ER, have no ability to pick the doctors who treat them and do not know if those doctors are in their insurance network. It is nearly impossible for Texans to stay in network for every service they receive in these situations, even when they make sure they go to an in-network facility.
- In fact, almost 50% of all ER physician services in Texas are now out of network—substantially higher than any other physician specialty—and most of these happen at network hospitals.
- These surprise medical bills are expensive and growing, driving up health care costs for all Texans. Texas now has some of the most expensive emergency care costs in the nation, and Texas patients are paying the price.
- Patients should never be financially penalized when they receive care from an out-of-network provider they did not choose. In these circumstances, providers should be prohibited by law from billing patients for costs not covered by the health plan. Instead, health plans, doctors, hospitals and freestanding ERs should be held responsible for the billing disputes for these remaining costs, initiating mediation and using Texas' system to reach an agreement on price.

The legislation would:

- Prohibit out-of-network facility-based providers at network hospitals and out-of-network emergency care providers from sending surprise bills, because the patient does not have a real choice when receiving care from these provider types.
- Make patients responsible only for their applicable co-pays, coinsurance and deductibles with no additional amounts due resulting from mediation between the out-of-network provider and health plan.
- Require health plans (PPO, EPO, and HMO plans) to pay reasonable or agreed-to amounts to out-of-network emergency care and facility-based providers and allow those providers to dispute payment amounts through binding mediation.
- Protect patients' credit by prohibiting the issuance of a consumer report of medical debt resulting from balance billing by an out-of-network facility-based provider at a network hospital or an emergency care provider if the patient had health coverage.

Texas Still Has a Surprise Billing Problem, Particularly in the ER

Surprise Bills Are Inevitable in Texas. In an emergency, it is nearly impossible for Texans to stay in-network for every service they receive, even when they make sure they go to a network hospital. **In fact, more than 65% of out-of-network ER doctor claims occur at network hospitals.**

Surprise Billing is Worse in Texas

1 in 3 ER admissions in Texas results in a **surprise bill**, while the national average is only **1 in 5**

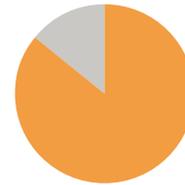


Consumers Are Powerless in an Emergency



300 of the **407** hospitals in Texas have **NO** network ER doctor for the three major health plans

Freestanding ERs Are Part of the Problem

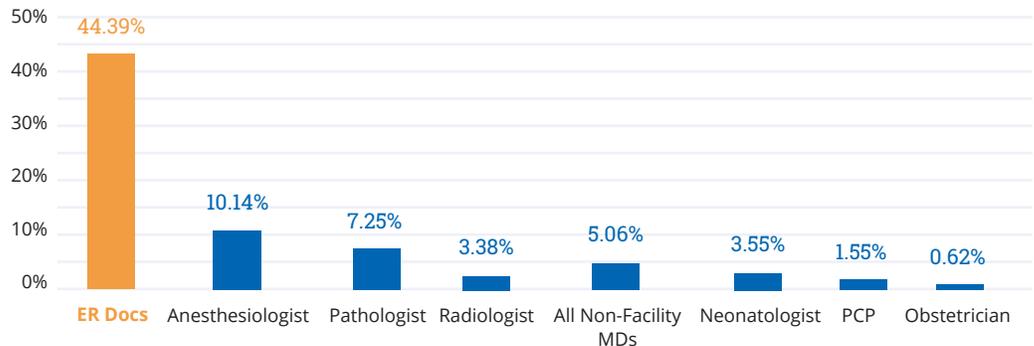


83% of out-of-network ER facility claims in Texas are caused by **freestanding ERs**

Texas Has a Chronic Out-of-Network ER Problem

Almost **50%** of Texas ER doctor claims are out-of-network, substantially higher than all other types of doctors

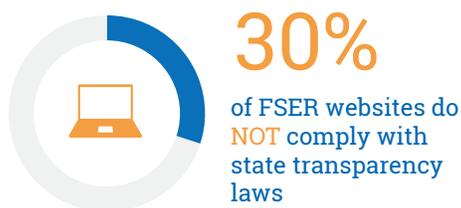
Percent of Texas Out-of-Network Physician Claims by Provider Type



Sources: TAHP, Survey of Out of Network Claims for PPOs in 2017 for BCBSTX, UnitedHealthcare and Aetna, 01/19. Health Affairs, One In Five Inpatient Emergency Department Cases May Lead To Surprise Bills, 01/07. Center for Public Policy Priorities, A Texas-Sized Problem, 02/17.

Freestanding ERs Contribute to the Problem

A recent AARP investigation found that freestanding emergency rooms (FSERs) are not following Texas laws. Instead they are misleading Texans about being in-network and putting them at risk of surprise billing.



Source: AARP, The Truth About Freestanding ERs, 12/18.

Protect Texas Patients From Surprise Medical Bills

Texas leaders have taken steps over the past decade to create protections from surprise medical bills, but problems remain in Texas—particularly in the ER. Patients should never be financially penalized when they receive care from an out-of-network provider they did not choose. In these circumstances, providers should be prohibited by law from billing patients for costs not covered by their health plan. Instead, health plans, doctors and hospitals should be held responsible for initiating mediation and using Texas' system to reach an agreement on prices.